January 4, 2012

ECONOMICS 450

SYLLABUS

WORLD ECONOMIC DEVELOPMENT

Spring 2012

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For Appointments, Contact
Ellen Grodjesk at 713-348-4601
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Note: Economics 450 is the first half of a two-semester sequence of Economic Development. The second course in the sequence is Economics 460, "International Development: Finance, Trade, Foreign Investment and Foreign Aid." A student may take for credit either or both Econ 450 or 460. There is almost no overlap between the courses.

SYLLABUS

ECONOMICS 450

MALCOLM GILLIS
Spring 2012

THE SYLLABUS HAS EIGHT SECTIONS:
Please Review all Eight Sections Before the Second Day of Class

I. Course Outline, Exams, Papers and Prerequisites

II. Course Content: A Thumbnail Sketch of what is and is not covered

III. Course Schedule and Required Readings

IV. Outline of content for Economics 460 (offered in Fall 2012)

V. Illustrations of Possible Topics for Two Short Papers

VI. Special Note on Longer Research Paper

VII. Books and Articles on Reserve

VIII. Further Readings (for help in research for required papers)

IX. Lecture outlines (as needed)

SYLLABUS

ECON 450
Spring 2012

I. Course Outline

Professor Malcolm Gillis
Economic Development: Endowments, Markets and Policy

- The course ordinarily meets – Tuesday/Thursday, 2:30-3:45 p.m.

- In **January 2012** there may be two additional meeting of the course at agreed-upon times. Possible dates are Jan. 18, Jan. 25 or Feb. 1 (all Wednesdays) at 4:00 P.M. in this classroom.

- Readings lists – there are two. One is assigned reading. There is also a list of optional readings that may be helpful in doing your research papers.

- Main Textbook: Economics of Development, 6th Edition, Norton (Perkins, et. Al)
  Note: For the first five editions, this textbook was Gillis, et.al, Economics of Development. In the 6th edition, the following chapters were written by Gillis: Ch/ 10, Ch. 12-15, Ch. 20.
  Second Textbook – Poor Economics, Abhijit Banerjee and Esther Duflo

- Pre-requisite – A good, strong course in microeconomics is essential. Students not satisfying the pre-requisite may enroll, but only with permission of instructor.

- Exams – (a) First exam likely in late **February or early March**
  (to be confirmed later).
  (b) Final exam (or second exam, if this option chosen)
  However, the class may wish to opt for two exams during the semester, and no final exam. If so, please raise the question.

- Research papers – Ordinarily two, five-page research papers are required (For due dates for first and second paper, see Part IV of Syllabus). However, students wishing to write one longer research paper in lieu of two papers may do so after approval of the outline by the instructor, but approval is needed by **February 28, 2012.**

Also, students may wish to collaborate on a long paper. See section VI of Syllabus.

The first research paper is due on **February 25, 2011**. The second is due on **the next-to-last day of class.** If a longer paper is undertaken, it is due on the final day of class.

- Determination of course grade (if there is a final exam):

Mid-term	25%
Research paper(s)	25%
Final	50%

Course Grade without a final (if this option chosen)

1st Exam	33%
2nd Exam	33%
Research Papers	33%

- Any student with a documented disability needing academic adjustments or accommodations is requested to speak with me during the first two weeks of class. All discussions will remain confidential. Students with disabilities will also need to contact Disability Support Services in the Ley Student Center.

- Link to online Journals
  The link to online journals is http://ps4ps6lm2r.search.serialssolutions.com/ JSTOR. You then type in the name of the journal, go to the journal site, and search for the article.

  JSTOR is a service whereas you can access economic journals such as American Economic Review, Quarterly Journal of Economics, Journal of Economic Perspectives, etc.

  We will discuss JSTOR in class early on.

SYLLABUS

ECON 450
Spring 2012

II. Course Content: A Sketch

The subject matter of economic development is far too rich and complex to be a one-semester offering such as ECON 450. For that reason, a new course has been developed, Economics 460. This second course will cover topics not discussed in Econ 450. The outline for Economics 460 may be found in section III which follows.

To understand the complexity of the subject, consider some of the major determinants of economic development:

Capital -- Human capital (labor, education, etc.)
-- Physical capital (tractors, computers, etc.)
-- Natural capital (natural resources, including minerals, land, water)

Institutions -- Formal institutions (legal) and Informal (religious customs)
-- Property rights, Contracts
-- Mechanisms of governance
-- Rent seeking, behavior, corruption etc.

Demography -- Age structure of population and urbanization: fertility, morbidity, population policies etc.

Energy Issues -- Effects of energy exports on economies, the problem of State-owned oil companies, alternative energy, nuclear energy, climate change

Trade Patterns -- Primary products, manufactured exports, technology-based exports

Policies -- Fiscal (tax and expenditure)
-- Monetary (called financial policies in this course)
-- Exchange rates (nominal and real exchange rates)
-- Agricultural and natural resources policy

-- Industrial Policy

Globalization -- World capital markets
-- Telecommunication

Environment and Climate -- Environmental degradation, seasonal problems

Public Health -- Disease, nutrition, etc.

This list is by no means complete. No one is expert in even half these topics. Given such complexity, the best that can be done is to cover selected topics that lie at the core of development. Although class discussions will complement the readings, not all readings are covered in class. Students are, however, responsible for reading all assigned readings.

Section III

Economics 460 (offered Fall, 2012)
(A continuation of Econ 450 with emphasis on Finance, Trade, Aid, etc.)

International Development: Finance, Trade, Foreign Investment and Foreign Aid

Outline

I. **Savings Mobilization: Government Savings** (taxation, inflation)

II. **Savings Mobilization: Private Savings** (household savings, corporate savings)

III. **Savings Mobilization: Foreign Savings** (foreign aid, foreign investment)

IV. **Finance and Financial Policy** (banking, insurance etc.)

V. **Finance**: Micro Finances

VI. **The World-Wide Financial Meltdown of 2007-2009 and the Aftermath**

VII. **International Trade** (patterns, flows, protectionism)

VIII. **International Trade: Exchange Rate Issues**

IX. **International Trade: Export Taxes**

X. **Economic Development of Very Small Economies**: Native American Tribes in North America

XI. **Reform – Mongering** Policy Reform: Where, When and How

XII. **Special Topics** (To Be Assigned)

ECON 450
Spring 2012

IV. Course Schedule and Required Readings

Students Please Note

1.) **Assignments in the main Textbook, Economics of Development, do not follow the normal progression: Rather, some later chapters are assigned before some earlier numbered chapters. There are good reasons for doing so. Do not be confused.**

2.) **Also Note All additional Readings distributed in class throughout course are considered assigned – including Readings sent by e-mail "blasts."**

Principal Textbook
Economics of Development, Sixth Edition, Dwight H. Perkins, Steven Radelet and David L. Lindauer. New York: W. W. Norton Publishers, 2006. Hereafter

and

Secondary Textbook
Poor Economics, First Edition, Abhijit V. Banerjee and Esther Duflo, New York: Public Affairs, 2011.

***Special Note – be certain you check out pages, xxiii and xxiv of the Economics of Development (Internet Resources on Development)

Class 1) Introduction: Economic Development Over Time: Lessons For Poverty Reduction

Readings

a) Alan Beattie, False Economy, chapter1
b) Abhijit V. Banerje and Esther Duflo, Poor Economics. Read chapter 1 and 2 plus the Foreword.
c) Economics of Development, chapter 1.

Class 2) Introduction: Continued

a) Economics of Development, chapter 2
b) Becker, Phillipson and Soares "Quality of Life and World Inequality" (Reading #37)
c) Sala I Martin, Xavier (Reading #49)

Class 3) Globalization: Then and Now

Readings

a) Lindert and Williamson (Reading #9) See section VII of the syllabus
b) Winters, M. Cullugh and McKay (Reading #47)
c) Larry Summers (To be blasted)

Class 4) Perspectives on the Role of Capital in Development
Physical Capital, Intangible Capital and Natural Capital

Readings

a) Economics of Development, chapters 3 and 4
b) World Bank, The Changing Wealth of Nations Washington D.C., The World Bank 2011, chapter 1 and 2 (to be blasted)

Class 5) Physical Capital, Growth Models

Readings

a) Review text, chapter 3

Class 6) Intangible Capital: Human Capital: Education, Public Health, Women in Development

Readings

a) Economics of Development, chapters 6, 8, 9 and (see next page)

b) Poor Economics, chapters 3 and 4

Class 7) Intangible Capital Continued: Women in Development, Population and Demographic Issues, "son preference"

Readings

a) Economics of Development, chapter 7
b) Poor Economics, chapter 5
c) Bongaarts and Sinding, "Population Policy in Transition in the Developing World" *Science*, July 29, 2011 (To be blasted to students)

Class 8) Intangible Capital: Institutions

Readings

a) Acemoglu, Johnson and Robinson "The Rise of Europe" (reading #37) see section VII of the Syllabus.

Class 9) Corrosion of Institutions: Rent – Seeking Behavior

Readings

a) Economics of Development, Review p.160-161
b) Ann Krueger – reading #35 (see section VII of this Syllabus)
c) Gordon Tullock, The Economics of Special Privilege and Rent-Seeking, chapters 1 thru 6 (reading #44)

Class 10) Integration of Discussion on Physical Capital and Intangible Capital: A Production- Function Approach

Readings

a) None

Class 11) Resource Allocation Issues: Elasticities and Efficiencies

Readings

a) Economics of Development, chapter 5
b) Economics of Development, chapter 16 pp. 626-631 (Review of Isoquants in Production Theory)

Class 12) States and Markets: Government Owned Enterprises (State-Owned Firms, or SOEs)

Readings (see next page)

Readings

a) Gillis – Reading #2 (See section VII of this Syllabus)
b) Roselyn Hsueh, China's Regulatory State, chapters 1, 2 and 10

Class 13) Natural Capital and Sustainable Development: Introduction

Readings

a) Economics of Development, chapter 20, and chapter 11, pp. 406-410 only
b) Norman Myers and Jennifer Kent, Perverse Subsidies, chapters 1 and 2 (Reading #34 in Section VII)
c) J.E. Tilton and B.J. Skinner, The Meaning of Resources (Article to be blasted to students)

Class 14) Natural Capital and Sustainable Development: FORESTS

Readings

a) Gillis and Reppetto, Reading # 7 (See section VII of this Syllabus)
b) To be assigned

Class 15) Natural Capital: Sustainable Development: ENERGY

Readings

a) Review Economics of Development pp. 784-780
b) Dominique Guillome and Roman Zytek, "Reducing the Staggering Costs of Cheap Energy" in Finance and Development, June 2010 (Article to be blasted to students)

Class 16) Natural Capital and Sustainable Development: ENERGY – Continued. Nuclear Energy; Front End (Mining of Uranium) and Back End.

Readings

c) Paul Joskow and John E. Parsons, The Economic Future of Nuclear Power, Daedalus, Fall 2009 (To be blasted)
d) David Erikson and Malcolm Gillis, "High-Level Enterprise and Low-Level Radioactivity" Journal of Energy and Development (Article to be blasted to students)

Class 17) Development, Energy and Climate Change

Readings (see next page)

Readings

a) World Bank, World Development Report 2010 (overview and chapter 1. Climate Change and Development) Article to be blasted to students

Class 18) Natural Capital and Sustainable Development: WATER

Readings

a) Peter Rogers, "Facing the Freshwater Crisis," Scientific America, Aug 2008 (To be blasted)
b) Sin Aqua Non (to be blasted)
c) Economist, May 22, 2010, "For want of a drink" (To be blasted to students)

Class 19) Natural Capital and Sustainability: FISHERIES

Readings

a) World Bank, Sunken Billions chapter 1 and 2 (To be blasted)
b) Eric Stockstead, Science Magazine "Privatization" (To be blasted)

Class 20) Financing Physical and Human Capital. Savings Mobilization

Readings

a) Economics of Development, chapters 11 and 12
b) Bird and Oldman, Tax Reform (to be blasted to students)

Class 21) To be discussed

First paper: Due on February 25, 2012
Second Paper: Due on the next-to-last day of this class.

SYLLABUS

ECON 450
Spring 2012

V. Illustrations of Possible Topics for Two Short Papers

Note Well: These are merely illustrative topics. Pick any topic not on this list pertaining to the course that you wish which pertains to economics or economic policy in emerging nations, including the "BRIC[s]" (Brazil, Russia, India and China) nations.

Topic 1: **Nobel Prizes in Economics**

Many Nobel laureates wrote and advised on economic development, or on issues extremely important to economic development. Pick one (or even two) and assess the significance of his/her work for developing countries. (See MG for a list of winners, or Google it)

Also consult me before choosing the prize winners – some Nobel Laureates are most pertinent to Econ 450. Others pertain more to Econ 460.

Topic 2: **Water Resources**

"Increasingly, water resources are among the scarcest resources in poor nations. And increasingly, water is one of the most wasted of all natural resources."

Topic 3: **Institutions and "Bottom-up" Development**

According to Iqbal Quadir "The Bottleneck is at The Top of the Bottle." Fletcher School (Tufts) Vol. 26 #2 Summer/Fall
Critique this article.

Topic 4: **Illegal Logging in Forests**

Do a five page critique of this recent book: Luca Tacconi, Illegal Logging: Law Enforcement, Livelihoods and the Timber Trade, (Earthscan Forestry Library); Website: www.learthscan.co.uk

Remember: This list of topics is illustrative. Pick a topic off the list if you wish.

Topic 5: **Demand For Food**

Survey and evaluate available evidence on short- and long-run price elasticity of demand for foodstuffs in LDCs.
What does this evidence tell you about food price policy?

Topic 6: **Elasticities: AG Products**

Survey and evaluate available evidence on short- and long-run price elasticity of supply of agricultural products in LDCs.
What does this evidence tell you about pricing of agricultural products (in particular, the effects of price controls)?

Topic 7: **Elasticities: Factors**

Survey and evaluate available evidence on elasticity of supply, demand or elasticity of substitution for any factor of production in LDCs.
(Factors include labor and capital).

Topic 8: **Rent-Seeking**

Critically examine "rent-seeking" theory as it might apply to policy-making either in poor countries in general, or in a particular developing nation.

Note: Topics 9 through 14 require you to critique recent books dealing with issues pertaining to economic growth and or development. The operative word here is "critique." No more than 6-7 pages should be needed for a good critique.

Topic 9: **Moral Consequences of Economic Growth**

This book is about growth generally, not just in emerging nations. Author: Prof. Ben Friedman, Harvard Economics Dept. Publisher: A Knopf, 2005. (Your focus should be on Ch. 1 and the last few Chapters on growth in emerging nations.)

Topic 10: **False Economy: A Surprising History of the World**

This is also not focused, not only on emerging nations, but the world. Author: Alan Beattie (Publisher: Riverhead Press 2009)

Topic 11: **Rent-Seeking: Corruption**
(A World Bank book published in Jan. 2012. The author looks at causes and "remedies" for curbing corruption in poor countries. Do a review. Author: Bertram Spector Title: Detecting Corruption in Developing Countries

Topic 12: **Development Economics Through the Decades** (Book Title)
(This book, by present and past members of the World Bank staff, reviews the last 30 years of Development as seen by the Bank). Author: Shadbid Yusuf and others (Publisher: The World Bank, Washington, DC 2009)

Topic 13: **Decentralization of Forest Governance**
Critique the book (The Decentralization of Forest Governance) Editor: M. Mocliano, E. Wallengberg and G. Limberg. (Earthscan, 2008); Website: www.earthscan.co.uk

Topic 14: **Economic Development and Economic History**
A new book (2011) by Niall Ferguson of Harvard maintains that six base factors accounts for more rapid growth by the "West" as opposed by the "East." Critique his: Civilization: The West and the Rest. (Penguin Press, 2011)

Topic 15: **Sustainability in the Worlds Fisheries**
Emerging nations are more dependent on the oceans for food that are richer nations. What can emerging nations do to promote sustainability in Fisheries? Explain. Are there lessons from developed nations?

Topic 16: **Sustainability and Nuclear Energy in Emerging Nations**
Nuclear power generation might be an option for Brazil, China and India, for example. It is not likely to be a viable option for Columbia, Ghana, Kenya or Peru, to name a few. Explain. (See Deadalus, September, 2009) for several articles on Nuclear Energy)

Topic 17: **Protecting Wildlife** (Africa, or North America or South America)
Only 8 individuals of the northern white rhino survive today. For black and white rhinos, there were 300,000 individuals in East Africa in 1909. Today only 2,000. There were 400,000 lions in 1955; there are about 20,000 today.
Would it be most effective (in conserving wildlife) for governments to forbid hunting of rhinos/lions, or use market oriented tools to protect and nurture them? Or, are there resourceful combinations of both?

Topic 18: **Sanitation, the Environmental and Human Capital Formation**
Poor sanitation in poor countries leads to disease as well as environmental problems. Do a review of the following World Bank paper: Shit Matters-The Potential for Total Sanitation (Edited by Lyla Mehta and Synne Movik) April 2011. Honest: This is the real title of the article.

SYLLABUS

ECON 450
Spring 2012

VI. Special Note on Longer Research Papers

Note: for longer paper, clear your topic with the Instructor before **February 28th**.
(Longer papers are due on last day of this class).

As noted on the course outline, students may elect to undertake two research papers or one long paper on any development topic of your choosing. Generally, evaluation of your papers will depend on three things:

1) The extent to which your paper asks and answers an interesting or important question
2) Whether you have appropriately marshaled empirical evidence and/or economic theory in completing your paper
3) And to a lesser extent, the clarity of your writing. A written paper that displays poor command of the language will be returned to you for a rewrite, before a grade is given.

Note, however, that a group of students (from 2 to 4 people) may decide to form a "commission" to address a particular topic of interest to you.

In many countries, formal "commissions" are formed by government bodies or NGOs to seek answers to major national issues. For example, I have served on tax commissions, natural resource commissions and trade commissions in more than a few countries, including the U.S.

Typically, the president or the minister of finance (or the minister of whatever), appoints a small group of qualified people to address an important topic. These appointees are usually called commissioner. Commissioners agree on an approach, discuss issues and then prepare a report and submit it to the appropriate authority. Oftentimes, individual commissioners do not agree with one or two particular

conclusions of the whole report. In this case, they may attach a written dissent, whether in foot note form or in an appendix.

Any group of students, but not less than two and not more than six, may agree to form a commission to study one of the two topics sketched below. If you choose this collaborative options, your grade will depend largely on the evaluation of the work of the whole "commission." However, as in the real world, you may wish to pen dissents (not more than one or two since this would indicate failure to collaborate effectively). The quality of our dissent (if any) will be a factor in the evaluation of your role in the larger commission.

Topics can cover any issues raised in the course. Here are four possible topics you might consider. Note that these are illustrations.

1) The Role of Major Institutions in Economic Development

Do differences in legal systems, systems of property rights, governmental structure, constitutional rights, etc., make a difference in development of poor countries, which seem conducive to trying to raise levels of human welfare? You may even look to some extent to the experiences of Europe and the U.S. from 1700 – 1900 for lessons.

If you pursue this topic, the first thing you will need to do is go to the work of a young economist who has already made major contributions in this area of research. His name is Daron Acemoglu, a professor of economics at MIT. Then you can consult my files. Be sure also to look at Cornell and Kalt, reserve-reading list #43.

2) "Sweat Shops" Highly Labor Intensive, Low-Wage Factories Manufacturing Components and Products for Markets in the U.S., Europe and Japan

Example of questions to the commissioners of the mythical developing country called Betagonia:

Should our country enact legislation to prohibit or restrict foreign investment in factories employing unskilled workers at low wages, even when these wages are equal to or in excel of wage generally available to the unskilled in Betagonia? If so, why? If not, why not?

You many have access to my entire files on this question once you form a commission and begin your work.

3) **Very Small Open Economics: Indian Reservations in the U.S.**

Reservations of western tribes (west of the Mississippi), as well as the Choctaws of Mississippi, share several commonalities with very small open economics such as the Gambia in Africa, El Salvador in Latin America and Bhutan in Asia. One commonality with Latin America is reliance on gambling for government revenues, typically lotteries. In the U.S., this takes the form of bingo and casinos on reservations.

Evaluate gambling on Indian reservations, contrasting it (if possible) with lotteries in Colombia, Argentina or other Latin American nations. Assess not only revenue impact but also how gambling revenues are utilized on Indian reservations. Evaluate any social costs that may be associated with reliance on gambling as a revenue source, including (in Latin America) effects on the poor. No moral judgments, please. See me for details.

4) **China's One-Child Per Family Policy**

Consider China's one-child per family policy. (Noting that in some years and in some provinces there were some small exceptions.)

Evaluate the economic and social impact of that policy for the past three decades. What was achieved and what were major unforeseen or perhaps unintended effects.

Then, consider China 2010-2030. Consider whether the policy should be a) abandoned or b) amended, and why. In particular, note effects of either a) and b) on economic growth, economic opportunity etc.

Note – If you are going to form a "commission," you must see me to secure approval for the topic by **Feb 28**.

Longer papers done by a "commission" are also due on the final day of class.

VIII: Reserve List

Economics 450

Books and Articles on Reserve (at Fondren Desk)

(In Appoximate Alphbetical order)

1. **A Splendid Exchange**
   ***How* Trade Shaped *the* World**
   William J. Bernstein

2. **Allocative and X-Efficiency in State-Owned Enterprises**
   Gillis, Malcolm

3. **Capitalism for the Poor**
   The Economist

4. **China's Regulatory State**
   A New Strategy for Globalization
   Roselyn Hsueh

5. **Concepts and Measurement of Protection**
   Belassa, Bela

6. **Cost-Benefit Approach to Economic Development**
   Harberger, Arnold C

7. **Deforestation and Government Policy**
   Gillis, Malcolm and Repetto, Robert

8. **Development**
   Schumpeter, Joseph

9. **Does Globalization Make the World More Unequal**
   Lindert, Peter and Williamson, Jeffrey

10. **Economic Policies and Tropical Deforestation**
    Gillis, Malcolm

11. **Economics of Development** 5th edition
    Gillis, Malcolm

12. **Effects of Multinational Production on Wages and Working Conditions in Developing Countries**
    Brown, Drusilla, Deardorff, Alan and Stern, Robert

13. **Episodes in Indonesian Economic Growth**
    Gillis, Malcolm
14. **Evolution of Natural Resource Taxation in Developing Countries**
    Gillis, Malcolm

15. **False Economy**
    A Surprising Economic History of the World
    Alan Beattie

16. **Financial Deepening and Economic Development**
    Shaw, Edward

17. **Forest Incentive Policies: Managing the World's Forests**
    Gillis, Malcolm/ed. Narendra Sharma

18. **Freefall**
    America, Free Markets, and the Sinking of the World Economy
    Joseph E. Stiglitz

19. **How Protectionists Score Their Own Goals**
    The Economist

20. **Incidence of World Taxes on Natural Resources**
    Gillis, Malcolm and McLure, Charles

21. **Indonesia: External Adjustments and Growth**
    Gillis, Malcolm and Dapice, David

22. **Indonesia Tax Reform after Five Years**
    Gillis, Malcolm

23. **International Trade and Child Labor: Cross Country Evidence**
    Edmonds, E. and Pavcnik, N

24. **Logging Industry of Tropical Asia**
    Gillis, Malcolm

25. **Making Foreign Investment Safe**
    Property Rights and National Sovereignty
    Louis T. Wells, Rafiq Ahmed

26. **Meltdown Post-Mortem**

Dornbusch, Rudiger

27. **Micro-and Macro-Economics of Tax Reform: Indonesia**
    Gillis, Malcolm

28. **Mortality Reductions, Educational Attainment and Fertility Choice**
    Soares, Rodrigo

29. **National Self-Interest in the Pursuit of Sustainable Development**
    Gillis, Malcolm and Vincent, Jeffery R

30. **Non-Timber Products from Tropical Forests: Evaluation of a Conservation and Development Strategy**
    Napstad, Daniel

31. **Onset of the East Asian Financial Crisis**
    Radelet, Stephen and Saks, Jeffrey

32. **The Open economy: Tools for Policymakers in Developing Countries**
    Dornbusch, Rudiger

33. **Perspective on Capital and Technology in Less-Developed Countries**
    Harberger, Arnold

34. **Perverse Subsidies**
    Tax $s Undercutting Our Economies and Environments Alike
    Norman Myers with Jennifer Kent

35. **Political Economy of Rent Seeking**
    Krueger, Anne

36. **Poor Economics**
    A Radical Rethinking of the Way to Fight Global Poverty
    Abhijit V. Banerjee and Esther Duflo

37. **Quantity and Quality of Life and the Evolution of World Inequality**
    Becker, Gary, Philipson, Tomas and Soares, Rodrigo

38. **Rise of Europe: Atlantic Trade**
    Acemoglu, D., Johnson, S. and Robinson, J

39. **Scheming for the Poor: The Politics of Redistribution in Latin America**
    Ascher, William

40. **Tacit Taxes and Sub-Rosa Subsidies in State-Owned Enterprises**
    Gillis, Malcolm

41. Taxation and Income Distribution: The Colombian Tax Reform of 1984
Gillis, Malcolm and McLure, Charles

42. Tax Policy and Capital Formation: African Experience with the Value-Added Tax
Gillis, Malcolm

43. The Changing Wealth of Nations
Measuring Sustainable Development in the New Millennium
The World Bank
Washington, DC

44. The Economics of Special Privilege and Rent Seeking
Gordon Tullock

45. The White Man's Burden
Why the West's Efforts to Aid the Rest Have Done So Much Ill And So Little Good
William Easterly

46. This Time is Different
Eight Centuries of Financial Folly
Carmen M. Reinhart and Kenneth S. Rogoff

47. Trade Liberalization and Poverty: The Evidence So Far
Winters, L., McCulloch, N. and McKay

48. Tropical Deforestation: The Economic, Ecological and Ethical Dimensions
Gillis, Malcolm

49. World Distribution of Income
Sala-I Martin, Xavier

SYLLABUS

ECON 450
Spring 2012

VIII. Further Readings

A. Introduction

Measures and Meaning in Development (Econ 450 only)

1. World Bank, World Development Report 2005. New York: Oxford Press

2. Fatimah Daud, "Minah Karan": *The Truth about Malaysian Factory Girls.* Kuala Lumpur: Berita Publishing, 1985.

3. Angus Maddison. *Monitoring the World Economy 1820-1992*. Paris: Organization for Economic Cooperation and Development, 1995.

4. Kamal Salih and Mei Link Young. "Changing Conditions of Labour in the Semiconductor Industry in Malaysia," *Labour and Society*, 14 (1989), 59-80.

Historical Heritage and Economic Development: Africa, Korea, Latin America, and China (Econ 450)

1. Paul Collier and Jan Willem Gunning, "Explaining African Economic Performance," *Journal of Economic Literature*, 37, no. 1 (March 1999), 64-111

2. Albert O. Hirschman. "Ideologies of Economic Development in Latin America." *In A Bias for Hope.* New Haven: Yale University Press, 1971.

3. David Landed. *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor*. New York: W. W. Norton, 1998.

4. D.H. Perkins, ed. *China: Asia's Next Economic Giant?* Seattle: University of Washington Press, 1986.

5. Malcolm Gillis. "Episodes in Indonesian Economic Growth." In A.C. Harberger, ed., World Economic Growth. San Francisco: S. F. Institute of Contemporary Study, 1984.

B. <u>Economic Growth: Theory and Experience Obstacles to Development</u> (Econ 450)

1. Robert Solow. "A Contribution to the Theory of Economic Growth." *Quarterly Journal of Economics*, 70 (February 1956), 65-94.

2. ---. "Technical Change and the Aggregate Production Function," Review of Economics and Statistics, 39 (August 1957), 312-320.

3. Robert Barro. "Economic Growth in a Cross Section of Countries." Quarterly Journal of Economics, 106, no. 2 (May 1991), 407-443.

4. Gregory Mankiw, David Rober and David Weil. "A Contribution to the Empirics of Economic Growth." Quarterly Journal of Economics, 107, no. 2 (May 1992), 407-438.

5. Xavier X. Sala-i-Martin. "I Just Ran Two Million Regressions." American Economic Review, 87, no. 2 (May 1997), 178-183.

C. <u>Development and Human Welfare</u> (Econ 450)

1. Klaus Deninger and Lyn Squire. "A New Data Set Massuring Income Inequality." World Bank Economic Review, 10, no.3 (September 1996)

2. Gary S. Fields. "Changes in Poverty and in Developing Countries." The World Bank Research Observer, 4, no. 2 (July 1989), 167-185.

3. Malcolm Gillis and Charles McLure. "Taxation and Income Distribution: The Colombian Tax Reform of 1984." Journal of Development Economics (November 1978).

D. <u>Command and Control vs. Markets the March Toward Markets</u> (Econ 450)

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2. Robert Cassen et al. Does Aid Work? London: Oxford University Press, 1986.

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1. Uma Lele. The Design of Rural Development: Lessons from Africa. Baltimore: Johns Hopkins Press, 1975

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3. Alice Amsden. Asia's New Giant: South Korea and Late Industrialization. New York: Oxford University Press, 1989

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SYLLABUS

ECONOMICS 450
Spring 2012

IX. Lecture Outlines and Selected Short Readings (Consecutively Numbered)